

Senate Bill No. 1550

CHAPTER 286

An act to add Section 23104 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 25, 1996. Filed with
Secretary of State July 25, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1550, Lewis. Bank and corporation taxes: doing business: conventions and trade shows.

The Bank and Corporation Tax Law imposes a tax on every corporation doing business within the limits of this state, except as specified. Existing law provides that a bank or corporation is doing business in this state if it is actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.

This bill would provide, for purposes of that law only, for income years beginning on or after January 1, 1996, that any corporation that is not incorporated in this state and whose sole activity in this state is engaging in convention and trade show activities, as specified, in this state for 7 or fewer calendar days, or any portion thereof, during the income year and that does not derive more than \$10,000 of gross income reportable to this state, as specified, from those activities is not a corporation doing business in this state.

This bill would take effect immediately as a tax levy.

The people of the State of California do enact as follows:

SECTION 1. Section 23104 is added to the Revenue and Taxation Code, to read:

23104. (a) For purposes of this part only, any corporation that is not incorporated under the laws of this state and whose sole activity in this state is engaging in convention and trade show activities, as described in Section 513(d)(3)(A) of the Internal Revenue Code, for seven or fewer calendar days, or any portion thereof, during the income year and that does not derive more than ten thousand dollars (\$10,000) of gross income reportable to this state from those activities during that income year is not a corporation doing business in this state.

(b) For purposes of this section, the determination of gross income reportable to this state of a taxpayer shall be made by including the gross income reportable to this state of each member of the "commonly controlled group" (as defined by Section 25105) of which the taxpayer is a member.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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